

Getting Better

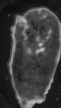
It's what we're all about!



Albertans working – a safe, healthy and strong Alberta.

Contents

Year at a glance



		1999	1998
2	Number of workers covered	1,158,904	1,117,464
3	Lost time claim rate (per 100 workers)	3.2	3.4
3	Number of claims reported	124,013	126,420
4	Number of lost time claims *	36,900	37,600
5	Number of recurrent claims **	59,295	41,363
6	New non-economic loss and permanent disability awards	2,116	2,088
7	Fatal claims accepted	114	105
	Lost time claims disallowed on the basis of ineligibility	2.6%	2.7%
	Number of new appeals filed with the Claims Services Review Committee	3,820	3,391
	Return to work percentage	86.3%	86.0%
9	Claim costs (in millions)***	\$821	\$555
12	Registered employers	90,989	87,134
13	Premium revenue (in millions)	\$354	\$412
14	Average actual premium rate (per \$100 of insurable earnings)	\$1.07	\$1.35
17	Investment revenue (in millions)	\$415	\$344
	Fund balance (in millions)	\$359	\$448
19	Rate and Benefit Stabilization Reserve (in millions)	\$157	\$212
	Occupational Disease Reserve (in millions)	\$135	\$121

* Lost time claims and the lost time claim rate are projected. This approach is taken to ensure claims for accidents occurring in 1999 but not reported by year end are considered.

23 ** Previously inactive claims that required further adjudication or case management. Claims may reopen for a number of reasons such as payments for medical aid or requests for further compensation benefits.

24 *** Includes \$80 million for special payments to re-married spouses. Claim costs in 1999 have increased because of policy changes and increased duration and severity of claims.

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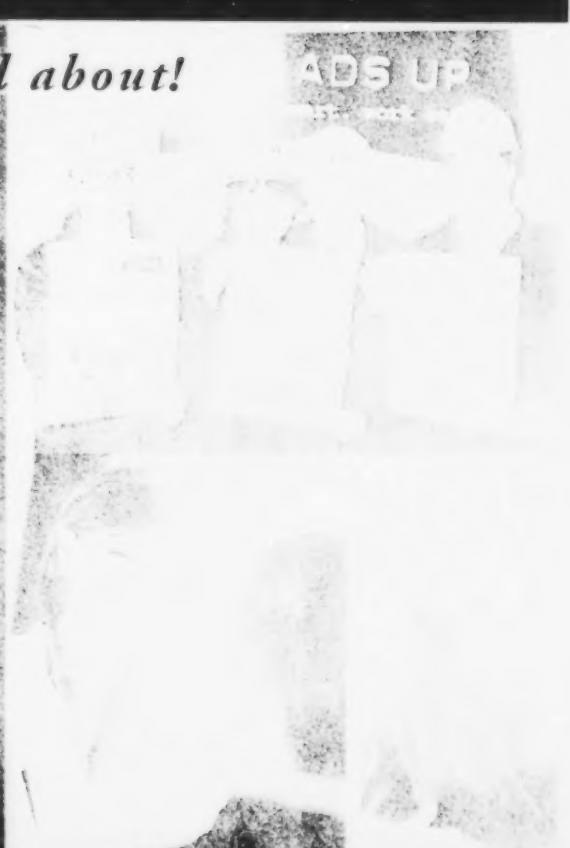
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Getting Better

...at customer service
...at injury prevention
...at partnering
...at our business.

It's what we're all about!



Albertans working – a safe, healthy and strong Alberta.

Getting Better

...Focusing on our vision

Message from the Chair

The theme of our 1999 annual report rings true – 'Getting better is what we're all about!'

1999 was our first year conducting business under WCB-Alberta's new Five-Year Strategic Plan. Putting the plan in action has resulted in WCB getting better in many aspects of our business and services, as outlined in this annual report.

On behalf of the Board, I would like to thank our stakeholders who consulted with us throughout 1999. More than 2,000 people have participated in our Policy Consultation project. This has been a key component in enabling WCB to better align our policies and services with our customers' needs. As a result of consultation, the Board of Directors approved an additional \$106 million for severely injured workers.

During the past year, the board members – representative of the interests of workers, employers and the general public – have carefully considered and approved policy changes and corporate initiatives that will lead to a better workers' compensation system for Albertans.

For the WCB, there are always two challenges. First is the need to continually anticipate and respond to Alberta's work environment and the changing needs of workers and employers. Second is the need to strike a balance between workers (and benefits) and employers (and funding).

Our results for 1999 show that we have been effective in meeting these challenges.

Employer's premium rates were the lowest in Canada. Benefits for workers were good and are getting better.

At the same time there are some trends that must be monitored very closely. We continue to see a trend in rising claim costs. We must be ever vigilant in developing and implementing safe work practices to keep injuries to a minimum. Over the last few years, we have also had higher than expected investment returns. A return to more normal rates of return will result in higher premium rates for employers.

I'd like to acknowledge the significant contributions of our board members. The challenge of the Board is to balance interests and make decisions for the stability and efficiency of the system. At times when we face difficult and controversial issues, I especially wish to thank the Board of Directors for their wisdom and commitment. As well, I'd like to commend WCB management and staff for their dedication to the new vision and for their individual efforts to increase customer satisfaction and reduce workplace injury and illness.

It's been a good year. And, as we move into the new millennium, we know there is more to be done, and we will continue to 'Get Better'.



Rick LeLacheur

Board of Directors



Rick LeLacheur
Board Chair



Mary J. Cameron
President and CEO



George Chatschaturian, Tony Gordon, Bill Spring

Representative of the
interests of **workers**



Representative of
Herman Bruin, Bob Drinnan, D.M. (Bud) McDonald

the interests of **employers**



Representative of the interests
of the **general public**

Albertans working – a safe, healthy and strong Alberta.

Getting Better

...Focusing on our vision

Message from the President and CEO



In 1999, the WCB-Alberta made measurable progress toward our vision of 'Albertans working – a safe, healthy and strong Alberta'.

The WCB-Alberta exceeded corporate objectives relating to worker and employer satisfaction. 77.2% of workers and 87.1% of employers were satisfied or very satisfied with their WCB-Alberta experience. Initiatives designed to improve benefits, communications, health care, vocational rehabilitation, insurance pricing, and business transactions all contributed to our success and are detailed later in this report.

Injury prevention, disability management, and strategic partnering were emphasized throughout 1999. The WCB-Alberta developed a revised Partners in Injury Reduction program for the year 2000, to encourage greater employer participation in developing health and safety and disability management programs. With various partners we sponsored awareness initiatives, including the successful 'Heads Up' campaign aimed at young workers.

These efforts, along with those of safety associations, business and labour groups, employers, workers, and other agencies, contributed to a 2% drop in lost-time claims in 1999. A 4% growth in employer accounts during the same period underscores the significance of this accomplishment. The lost-time claim rate per 100 workers fell from 3.4 to 3.2. Working closely with our stakeholders and partners, WCB-Alberta will continue to make injury prevention and disability management top priorities.

Due primarily to strong investment returns, WCB-Alberta gave employers their fifth consecutive reduction in the average premium rate in 1999. The average rate fell 24%, making Alberta's rate again the lowest in Canada and the lowest in Alberta since the 1950s. At the same time, WCB-Alberta has continued to provide

workers with one of the highest benefit levels in the country. \$106 million in additional benefits have been allotted over the last two years for severely injured workers as a result of Policy Consultation.

Our goal is rate stability for employers and benefit security for workers. Largely because of rising claim costs related to health care, WCB-Alberta had an operating deficit for 1999. Foreseeing this and the potential costs of policy and legislative change proposals emerging from stakeholder consultations, the administration recommended, and the Board of Directors approved, a change in the Funding Policy. Because of these measures, WCB-Alberta finished the year very near our 110% Fund Balance objective.

The WCB-Alberta is forecasting modest premium rate increases for the next several years in response to a continued rise in claim costs and policy decisions. For example, the payment for remarried spouses will add \$.08 to the required rate. As was the case in previous years, continued strong investment returns will limit the need for significant rate increases. This year also marked the first use of the Rate and Benefit Stabilization reserve to cap rate increases.

As we move forward, we will continue to consult with all of our stakeholders for constructive ideas to improve and move the corporation closer to our vision. We will also continue to seek a balance between the needs and obligations of workers and employers. 'Getting Better' at what we do will translate into a safe, healthy and strong Alberta.

Mary J. Cameron

Strategic Management Council

"Superior health care and vocational outcomes are directed to reducing the impact of work-related injuries and illnesses on Albertans."

Brian Dunn, Vice President, Customer Service & Disability Management



"By improving our range of work and disability products and services, we're making Alberta a stronger province."

Doug Brunsch, Vice President,

Customer Service & Risk Management

"We're working in the best interests of Alberta workers and businesses to move customer service to new levels."

Guy Kerr, Vice President, Business Development and Information Management



"Bringing new knowledge and best practices in accident prevention and disability management will reduce severity and frequency of work-related injury and illness in Alberta."

Doug Mah, Secretary and General Counsel

"Our financial strategy ensures continuing benefit security for workers and rate stability for employers."

David Renwick, Vice President and Chief Financial Officer



Albertans working – a safe, healthy and strong Alberta.

Our Vision

Albertans working - a safe, healthy and strong Alberta.

Our Mission

WCB-Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans.

Our Strategic Initiatives

- Achieve high customer satisfaction
- Create fully integrated information technology to support our business processes
- Become a centre of excellence in risk management
- Manage superior health care and vocational outcomes
- Provide product, service and price solutions for existing and new customers

...Look at the results

Sound governance, good management and staff focus and commitment to the mission and vision are helping WCB-Alberta to get better.

More workers satisfied

(1995-1999)



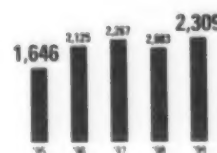
Employer satisfaction rises

(1995-1999)



Partners in Injury Reduction (PIR) participants

(1995-1999)



* Number of employers registered in PIR 2000 as of December 31, 1999

In 1999 the WCB - Alberta covered 90,989 employers and 1,158,904 workers and administered 204,502 claims

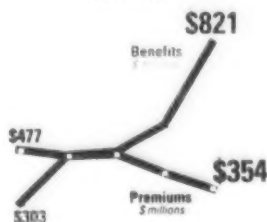
More spent on each worker

(1995-1999)



Benefits up Premiums down

(1995-1999)



WCB invests in injury prevention

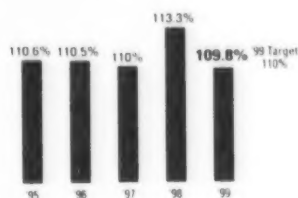
(1999)

Partners in Injury Reduction	\$2,600,000
OHS Grant	\$6,000,000
Safety Associations	\$3,600,000
Research Grants	\$435,500
Awareness Partnerships	\$217,000
TOTAL	\$12,852,500

Injured worker benefits have increased substantially, including regular cost-of-living adjustments and an additional \$106 million for severely disabled workers

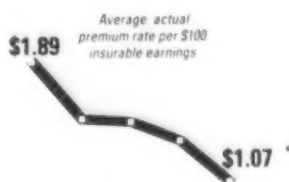
Fund balance per cent funded

(1995-1999)



Employers pay lower premiums

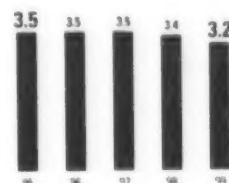
(1995-1999)



* 1999 provisional premium rate was \$1.05

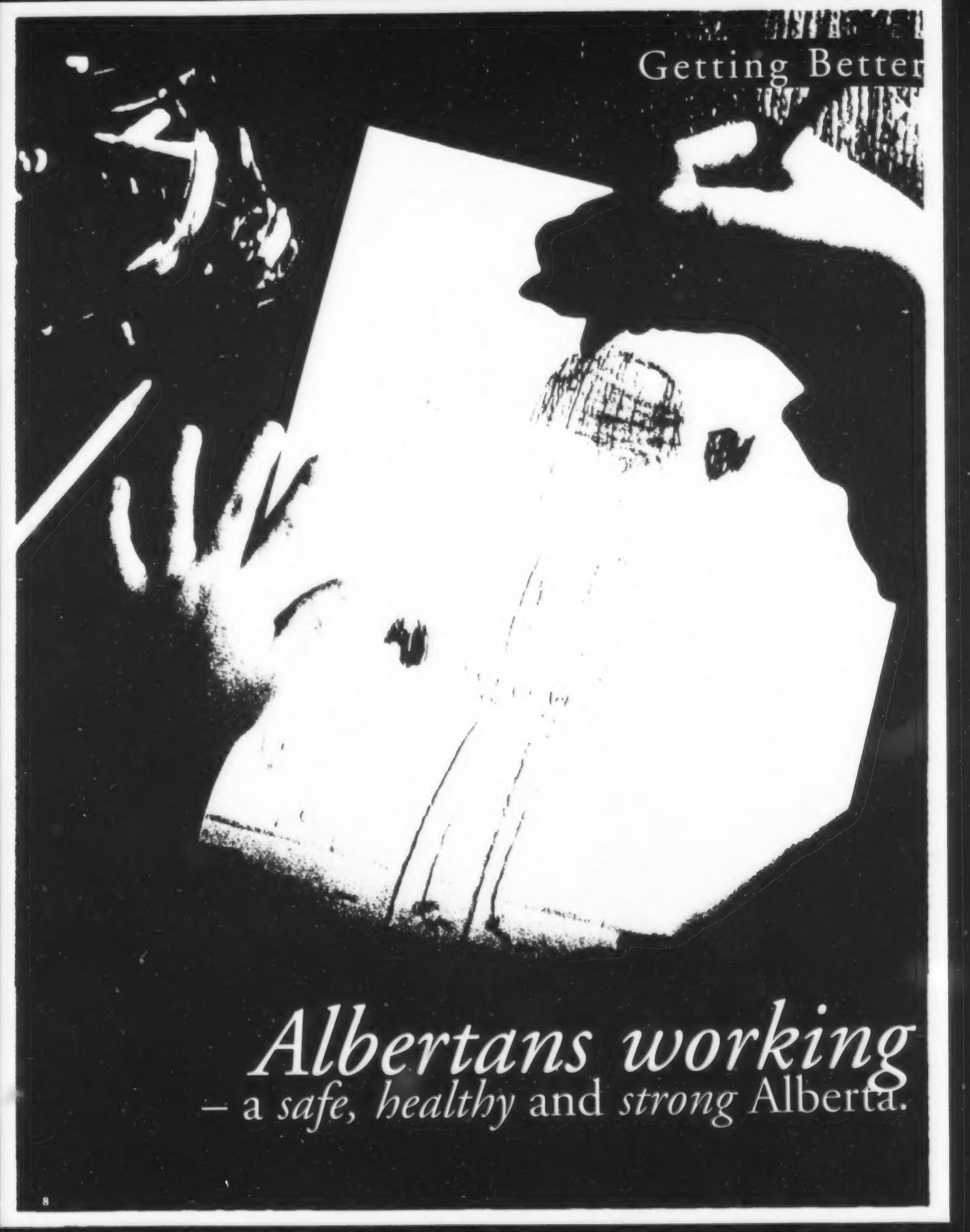
Lost time claim rate

(1995-1999)



WCB - Alberta is financially secure - protecting workers' benefits and minimizing fluctuations in employer premiums

Albertans working – a safe, healthy and strong Alberta.



Getting Better

Albertans working
— a safe, healthy and strong Alberta.

..At meeting our customers' needs

Helping injured workers and their families

More than \$100 million approved for severely disabled workers

In March 1999, approximately 1,200 severely disabled workers received their first cheques for a Special Needs Allowance that will have a financial impact of \$63.5 million over the lifetime of their claims. The Special Needs Allowance will help to reduce the financial impact on workers who have severe, permanent disabilities. The allowance is paid to injured workers who have a cumulative 50% or greater disability and whose injuries occurred before January 1, 1995.

As of January 1, 1999, Independence Allowance benefits increased to a maximum of \$1,900 per year. The Independence Allowance is paid to workers with permanent work-related injuries/illnesses who are no longer able to do routine home maintenance such as snow removal and lawn care. In the fall of 1999, the WCB Board of Directors approved a further \$40 million increase for severely disabled workers, beginning in 2000.

In addition to the improved Independence Allowance, beginning in 2000 the WCB will pay an extra \$1,485 annually to severely injured workers who must use a wheelchair or similar mobility aid in their homes. The allowance will offset the maintenance costs such as damage to floor coverings, walls, doorjams and baseboards caused by wheelchair use.

The Board approved a new policy to purchase vehicles for severely injured workers who are unable to self-transfer from their wheelchairs to vehicles. This is in addition to the modifications already covered in our WCB policies. Nearly 250 individuals who use a power or manual wheelchair and have existing claims may be eligible for this benefit.

WCB will be expanding counselling services for families of severely injured workers. Families will have independent access to counselling if they need help to deal with the impact of the worker's injury. Counselling will now be provided for as long as it is needed.

Elaine Lapointe, an injured worker since 1981, tells how the WCB Special Needs Allowance, Home Maintenance Allowance and other WCB benefits make a difference in her life.

"The Board seems to be increasingly looking not only at loss of earnings but instead at the entire person. When you become severely, permanently disabled it impacts your entire life and that of your family. Although loss of income is certainly extremely important I am pleased that the Board understands that it is only one aspect of a permanent disability."

Other injured worker policy changes in 1999

The WCB board approved the following policy changes – thanks largely to the feedback from stakeholders during Policy Consultation project sessions.

Effective January 1, 2000, maximum yearly insurable earnings will increase from \$45,600 to \$48,600. This increase ensures that 90% of all time-loss injured workers will have their wages covered by the new maximum.

The 50% cap for Chronic Pain Syndrome temporary disability benefits was removed effective August 1, 1999. The change gives WCB the flexibility to take individual circumstances into consideration.

Earnings loss supplements were extended past age 65 for individuals who work past their 65th birthday. This policy change is retroactive to August 1, 1990.



"Although loss of income is certainly extremely important I am pleased that the Board understands that it is only one aspect of a permanent disability."

In 1999, 36,900 injured workers were away from work for an average of 50.3 compensation days and the average related compensation was \$10,400 (excludes administration costs). Claim costs in 1999 have increased because of policy changes and increased severity of claims.

In 1999, three-quarters (77.2%) of claimants provided positive ratings of their overall experience with WCB, remaining fairly steady from 1998 (78.5%).

Improving worker satisfaction

Since 1992, research has been conducted with claimants to establish satisfaction levels with services received from the Workers' Compensation Board. Injured workers are asked to rate the WCB on a number of key elements.

In 1999, three-quarters (77.2%) of claimants provided positive ratings of their overall experience with WCB, remaining fairly steady from 1998 (78.5%).

Injured workers were satisfied or very satisfied with the WCB's performance in a number of areas in 1999, including:

- Providing compensation coverage until workers were fit and able to return to work (79%)
- Informing workers that their claim was accepted (78%)
- Providing benefit cheques on a regular 2-week schedule after the first cheque (76%)

- Providing one main contact person to coordinate all of their needs during the claim (76%)

Respondents with personal contact with their case manager were asked to rate their level of satisfaction on a number of factors. There was a high level of satisfaction for case managers overall (81%) and on specific attributes:

- Being courteous and caring, and treating them with respect (87%)
- Having enough knowledge to answer specific questions about your claims (84%)
- Providing accurate and helpful information (80%)
- Trying to find satisfactory solutions to their problems (78%)
- Keeping them well informed at every stage of their claim, including decisions related to payments or services (76%)

New Claims by Nature of Injury:

SpRAIN or Strain	42,349
Open Wound	24,230
Superficial Wound	23,044
Disruptional Injuries	8,268
Electric Shock or Lightning Strike	6,330
Burn or Scald	4,421
Multiple Traumatic Injuries	1,069
Intoxication Injury	503
Environmental Conditions	119
Over Exertion Injury	7,919
Personal Damage	863
Unspecified	4,896
TOTAL	124,013

Summary of Claims Administered 1998-1999

	1999	1998
Active claims as of January 1	21,194	20,856
New lost time claims	35,726	36,828
New medical aid only claims	88,287	89,592
Total new claims reported	124,013	126,420
Recurrent claims ¹	59,295	41,363
	183,308	167,783
Total claims administered	204,502	188,639

Non-eligible Claims

Lost time claims		
Insufficient information available to process claim	62	50
Not covered under Workers' Compensation Act	117	129
Injury or illness not arising out of/in course of employment	816	829
Medical aid only claims		
Insufficient information available to process claim	2,757	2,670
Not covered under Workers' Compensation Act	694	790
Injury or illness not arising out of/in course of employment	989	1,368

¹ Previously inactive claims that required further adjudication or case management. Claims may reopen for a number of reasons such as payments for medical aid or requests for further compensation benefits.

Return to Work Percentage 1996-1999

	1996	1997	1998	1999
Return to accident employment	82.9%	81.7%	81.2%	81.5%
Return to other employment	4.6%	5.2%	4.8%	4.8%
Total return to work	87.5%	86.9%	86.0%	86.3%

At meeting our customers' needs



Helping employers in many ways

In 1999, employer accounts grew to almost 91,000, reflecting increases in the construction, transportation and the business, personal and professional services sectors. WCB continued to focus on making it easy for employers to do business with us regardless of the size or nature of the company.

Employer satisfaction increasing

In 1999, overall employer satisfaction with WCB was 87.1%, up from 85.7% in 1998.

Sixty percent (60%) agree that based on the premiums they pay, they receive good value for the protection and services they receive from WCB.

Updated funding policy looks to the future

In 1999, WCB's Board of Directors updated the organization's funding policy to temporarily allow the Fund Balance to exceed 110% and to allow the Fund Balance to be replenished to 110% over three years instead of one. By law, the WCB must be fully funded through employer premiums. Over the long term, this funding policy change will show its merits, in that employers will be protected from large fluctuations in premium rate increases in the future.

Workplace Injury Reporting Pilot

WCB started working on a pilot called Workplace Injury Reporting, an internet-based system, that will enable both employers and workers to submit injury reports to WCB electronically. This faster reporting capability enables WCB to respond sooner and more effectively to injury claims. Early intervention can ultimately lead to more effective disability management for the injured worker, a significant step in achieving WCB's objective of reducing the impact of workplace injury. Developed as a result of employer feedback, the system will be another avenue to help workers and employers communicate better with WCB.

New self-assessment tool beneficial

In the summer of 1999, WCB's Employer Services piloted a new tool to help employers assess their own workplace claims reporting process. The intent of this tool is to help employers meet the 72-hour reporting period required under the Workers' Compensation Act. In conjunction with worksite audits conducted by the WCB, this self-assessment tool facilitates the re-audit process, making more effective use of WCB resources and employers' time. The new tool identifies guidelines to assist employers in identifying areas for improvement and best practices to strengthen their disability management programs. WCB is also working on other self-help modules to assist employers with meeting their regulatory requirements.

Better call-in service

Other service improvements for employers included improving the telephone system technology for the Employer Services Call Centre. Incoming calls are sent to a central queue and then disbursed to either Edmonton or Calgary call centres. This improvement means calls are answered on a first-come, first-served basis no matter where the customer is calling from. Employers can expect faster pick-up and less waiting time.

New, easier to read premium invoice

To provide better customer service, the WCB implemented a new billing system. Among the enhancements was the new premium invoice that is easier to read and understand. The new premium invoices summarize monthly transactions and are distributed monthly, thereby eliminating multiple statements and additional paperwork. The new, more flexible financial system will offer other advantages to employers in the year 2000, including a greater variety of payment options better matched to employers' needs.



Developing new products and new ideas

Through the Product, Service and Price Solutions (PS²) initiative, the WCB introduced a broader range of products, services and prices for new and existing customers in 1999. "We have a diverse client base, with employers and workers from a variety of businesses and occupations, each with differing needs and expectations of the workers' compensation system," notes Nan-Marie Kersey, project manager for the PS² initiative. "By offering workers and employers the choices they want and the expertise they need, we can help build a safer, healthier and stronger Alberta."

In 1999, the WCB concentrated its efforts in two areas:

Personal Coverage Pilot a success

A key element of the Personal Coverage Pilot has been offering insurance coverage to proprietors, partners and directors to protect themselves from the impacts of workplace illness and injury. Launched in the summer of 1999, the three-month pilot tested strategies for promoting personal coverage to new and existing customers. The project goal was to provide customers with enhanced information about personal coverage so that they could make an informed decision regarding their need for coverage and the appropriate level of coverage.

Completed in November 1999, the pilot achieved a significant increase in the number of individuals who are protected by WCB coverage and uncovered valuable information regarding the key benefits of personal coverage for our customer groups. "We are particularly pleased with the data we gathered on customer purchase and non-purchase decisions," notes Kersey. "This information will assist us with refining our personal coverage product and ensuring that we are clearly and effectively promoting the benefits of personal coverage to our customers."

Expanding coverage to exempt industries

Approximately 32% of the Alberta workforce is employed in industries exempt from workers' compensation coverage. To increase the number of workers and employers covered by WCB, the organization began marketing to the agriculture industry – a non-compulsory industry.

Developing a partnership with the Ministry of Agriculture and key industry associations, and gathering market intelligence to support sales efforts were integral to the success of the project. "We made a concentrated effort in 1999 to find out exactly what products and services the agriculture industry needed from us," notes Kersey. "By attending industry meetings, trade shows and conferences, we began to build a business relationship that will benefit the WCB and agriculture industry well into the future."

The year 2000 will see the WCB expanding marketing efforts in the agriculture industry as well as exploring opportunities in other non-compulsory business sectors.

"By reaching out to new markets and providing a broader range of product, service and price solutions," says Kersey, "more workers will have the workers' compensation they deserve."

By expanding our organization's influence through initiatives such as 'PS²', the WCB is in a better position to fulfill our mission of reducing the social and economic impact of workplace illness and injuries.



By reaching out to new markets and providing a broader range of product, service and price solutions, more workers will have the workers' compensation protection every Albertan deserves.

Communicating better with our stakeholders

WCB places a high priority on communicating effectively with our stakeholders. Communication is largely customer-driven and definitely two-way. Good communication means providing customers with current, timely information about WCB programs and services and taking on a more consultative role of listening and learning to improve our business. Communication happens face-to-face, over the phone, on the internet, at meetings, workshops and trade shows, through printed materials and displays. Regardless of the vehicle, we believe that communicating effectively with our stakeholders is key to significantly reducing workplace injury and illness in the future.

The following section describes some of the WCB's communications activities in 1999. Prevention-focused initiatives are described in a separate section beginning on page 23.

Policy Consultation participation up in 1999

The WCB has always been open to stakeholder input and welcomes opportunities to learn and improve from constructive suggestions. WCB's policy consultation has grown to include more than 2,000 people including injured workers, employers, labour groups, employer associations, and health care providers representing and working in various parts of the province.

Policy Consultation is committed to listening to all stakeholder views while seeking resolutions to complex issues. Workshop discussions and ongoing correspondence with stakeholders gave policy staff important information about the consultation process. Changes were made to better accommodate all involved. In early 1999, stakeholders commented that it took

considerable time to read and respond to the many papers that were produced. In response, we lengthened the time between papers to give stakeholders more time to respond. Changes also came from formal workshops. Instead of having one large workshop for each theme in either Edmonton or Calgary, smaller workshops are now held in both cities, making it easier for stakeholders to participate. Workshops now use a more interactive discussion method with in-house facilitation and technical support.

In 1999 WCB worked on nine themes simultaneously, completing the formal consultation process on some topics and starting consultation on others, such as recording and reporting accidents, definition of worker and employer, causation of injury and others. Policy changes arising from stakeholder consultation completed in 1999 resulted in many improvements in WCB business and services. As outlined in the 'Helping injured workers and their families' section of this report on page 9, consultation led to significantly improved benefits for severely injured workers. Other policy changes made it easier to do business with WCB, such as eliminating the signature for most voluntary and personal coverage applications. To more accurately reflect an employer's accident experience, WCB implemented a new performance-based pricing system. WCB also examined cost relief, adding provisions to relieve employer accounts when wage loss benefits are paid during medical investigation.

Policy Consultation is ongoing. Staff will continue to evaluate the consultative process to ensure that it meets the needs of all stakeholders. In 2000 the Policy Consultation group will be coordinating the stakeholder consultation phase of the Service Issues Review.

..At meeting our customers' needs

Communicating the 'Write' way with our customers – new decision letters style guide

After an assessment of customer correspondence, the WCB decided to improve one specific area of communication with workers – our decision letters. It is important for workers and employers to know and understand how and why a decision was made. Decision letters explain WCB claims rules, requirements and the facts that lead to claims decisions about cases that are often complex. A new 'All About Decision Letters' style guide and training program were developed for all case management staff and by year end, staff were using the new style guide to improve the consistency and clarity of decision letters. "Positive feedback has reinforced the value of this new communications tool," says David Verbicky, Director, Customer Service.

Educational sessions growing

Educating and working in partnership with employers and all our stakeholders were core components of WCB workplace safety and disability management plans in 1999.

To support employers, the Employer Services division conducted more than 170 educational workshops/seminars for more than 2,000 employers throughout the province.

- The introductory half-day Employer Information Workshop provides an overview of information related to maintaining a WCB account.
- One-day Disability Management Seminars are designed to help employers of all sizes understand the relationship between claims costs and WCB premiums and how these can be managed through effective disability management. Employer feedback, such as, "It has put into perspective how important safety is and how it reflects morale and productivity," demonstrates that being proactive will minimize the human and financial impact of work-related injuries.

- To assist employers in evaluating how they manage their WCB claims, WCB has developed a Disability Management Self-Evaluation document. It compares an employer's disability management program to the components of a disability management model that was developed by the WCB based on industry research. Half-day seminars were offered in Edmonton and Calgary for the first time in 1999.
- WCB also conducts a one-day seminar, Understanding the Appeals System, to help employers understand the appeal process. It provides an overview of the appeals process and includes how to initiate, prepare and present an appeal.
- A half-day workshop, offered to employers in January and February, covers how to accurately report insurable earnings and the employers' responsibilities for contractors and subcontractors.

The WCB also delivers courses and presentations to unions.

- In 1999, WCB delivered courses and presentations to more than 370 labour representatives. Presentations were custom-designed to the needs of various requesting unions. Three special courses were designed to generate an understanding of workers' compensation legislation, policy and processes, so that unions are better able to assist their members and provide informed feedback to WCB on various issues.

Management partnership

In 1998, WCB co-founded the Disability Management Advisory Committee, which promotes a partnership approach to developing and implementing effective disability management programs. The committee consists of representatives from Alberta employers, industry associations, labour organizations, Alberta Human Resources and Employment, Alberta Occupational Health Nurses Association, Alberta Medical Association and WCB. Committee work consists of identifying,

"The Disability Management Seminar put into perspective how important safety is and how it reflects morale and productivity."

"The Disability Management Seminar put into perspective how important safety is and how it reflects morale and productivity."

WCB Staff Carries On

Communicating better with our stakeholders also means keeping our staff up to date on the organization's functions and

the changes that are taking place. In the past, we've found that the most effective way to do this is through a combination of written and verbal communication.

Information is Key

developing and promoting disability management education and training opportunities. In 1999, the committee organized a Duty to Accommodate Seminar, a two-day workshop held in Edmonton and Calgary. The workshop, targeted to human resources personnel, labour representatives, occupational health and safety staff, etc., offered participants practical information like principles and practice of on-site transitional work programs, developing labour management programs, FOIPP rules in business, and other information.

Co-sponsoring seminars

In keeping with its commitment to build partnerships with the community and provide quality training opportunities, WCB also co-sponsored a seminar entitled "How to Manage Difficult Workers' Compensation Claims." The seminar was delivered in conjunction with the Centre for Labour-Management Development in Edmonton and Calgary, and was given later to the Alberta Construction Safety Association at its safety exposition. More than 265 people attended the seminars which covered such topics as disability management programs, invisible illnesses (e.g., stress, chronic pain and fibromyalgia), health care issues, WCB appeals, and fraudulent claims.

Website popular

We expanded the WCB website to include a new prevention section. Our clients continue to have access to current information on the Workers' Compensation Act, WCB policies, benefits, services, publications and significant events. In 1999, WCB had more than a million hits on our site and over 100,000 visitors accessing information.

Beating Y2K....and so much more

When you think of information technology (IT) in the year 1999, one thing comes to mind: Y2K. Although this issue garnered attention worldwide, there were several other initiatives going on behind the scenes at WCB to help improve communications with each other, our customers and our stakeholders.

In 1999, the WCB measurably improved the way employees communicated internally with the rollout of the Electronic Workplace. This development also had important implications for our customers, in that it allowed almost every staff member to have external e-mail, many for the first time. While this opened up the lines of communication with our clients, employers and stakeholders, it also raised awareness about the security of electronically transmitted information. Thus we began to develop encryption standards in 1999, to be piloted and implemented in early 2000.

With the introduction of data warehousing in 1999, the WCB began integrating the corporation's information, improving access to it, and making reporting and analyzing more efficient and cost-effective. The data warehouse, which will help provide the IT tools necessary to support the WCB's strategic initiatives and the business needs of the corporation, will continue to be expanded over the coming years.

And, of course, there was Y2K. A cross-functional team was in place throughout most of 1999 to address any potential problems that could arise from the millennium bug. The changeover went smoothly thanks to the efforts of many employees who made sure that the WCB was Y2K-ready and that our service to our customers continued uninterrupted.

These improvements have helped set the stage for further technology advances, allowing us to continue to improve our customer service next year.

Getting better at developing new knowledge

The WCB Centre of Excellence is devoted to developing, applying and disseminating new knowledge and best practices in accident prevention and disability management to reduce the frequency and severity of work-related injury and illness in Alberta. In 1999, a team of individuals from across the WCB-Alberta selected two primary focus areas for the year: **Total Health Management** and the **Research Grant Program**.

Total Health Management

Total Health Management researches and evaluates best practices and provides direction on how the WCB can continue to lead health, safety and wellness best practices. Our goal is to support our vision 'Albertans working – a safe, healthy and strong Alberta' through research in areas of health, safety and wellness programs.

The project is divided into five areas:

- **Injury and illness prevention** – looks at protecting employees from injury or illness.
- **Injury and illness management** – considers how to limit the effects of injury and illness.
- **Rehabilitation** – studies how to restore individuals to optimal functioning within the constraints of their ability.
- **Health promotion** – directed towards increasing the level of well-being of employees.
- **Benefit plan design** – examines how benefit plans support employees, employee health, and organizational performance.

Our plans are two-fold: to model a safe environment and to enable our stakeholders to excel in safe and healthy worksite practices.

Research Grant Program

Since 1997, the WCB's Research Grant Program has funded research initiatives that focus on improving workplace health and safety for Albertans. Research initiatives funded to date include:

- A joint project with the WCB-BC to identify variables that can impact or impede the diagnosis and recovery of injured workers with low back pain.
- A partnership with the Alberta Transportation Industry Safety Association to develop a fatigue management program to reduce the number of motor vehicle accidents.

The research program, Solutions for Safer Alberta Workplaces, identifies specific high-risk industries where research dollars are focused for the coming year. Factors such as the severity and frequency of injuries, the type of accident and body part affected, and the overall cost of the claim all play a role in determining which research projects are most closely linked to the WCB's mission and vision, thus making them eligible for funding.

The objectives of all research must:

- Promote early identification and prevention of workplace hazards.
- Improve rehabilitation strategies that focus on reducing the impact of workplace injury and disease.
- Educate workers, employers and health care professionals on workplace health and safety risks.

Total Health Management and the Research Grant Program are solid examples of how the WCB-Alberta will achieve its vision – Albertans working – a safe, healthy and strong Alberta.

The Research Grant Committee has selected 15 high-risk industries to focus on over the next four years.

Getting Better



..At meeting our customers' needs

Achieving superior health care and vocational outcomes

The strategic initiative, managing superior health care and vocational outcomes, was undertaken on a number of fronts by the WCB in 1999. The Millard Centre, WCB Health Care Services and WCB Medical Services set the pace by introducing model initiatives for superior health care and vocational outcomes.

Millard Centre

Millard Rehabilitation Centre becomes 'Millard Centre'...A new look and a new location

"Our new name and logo deliver a more dynamic title and look for our evolving presence within the health care community and our preparations for a new facility," says Dr. Sally Nikolaj, Millard Centre Director. "Although 'rehabilitation' is a core part of our business, it no longer captures the complete range of services that we offer. We updated the name and developed a new identity to support our vision. Albertans can be very proud of the Millard Centre as a leader in rehabilitation services and for the vital role the centre has played in developing disability management and health care models."

"Our new logo represents movement and growth - symbolizing the rehabilitation of our clientele, the relationships we continue to build with our customers and health care partners, and the expansion of our services to better meet the needs of those we serve," says Nikolaj. "The name Millard maintains our link to our past - honouring the contributions of Vern Millard (a former WCB Board Chair) and also opens us up to a future of potential and possibilities."

In May of 1999, we began looking for a new home for the Millard Centre.

The existing facility, almost 50 years old, operates on the original mechanical and electrical systems and is a poor location for clients. Upgrading the existing facility was not a cost-effective option. Relocating the facility will offer the flexibility to meet client needs and enhance services and programs well into the future. The new facility will continue to offer outpatient services including medical examinations, assessment of work readiness, and interdisciplinary rehabilitation programs for new and existing customers. Injured workers can look forward to enhanced rehabilitation services in a new location that is expected to be completed in 2001.

Millard Centre cares for more workers

In its 40 plus years of experience, the Millard Centre has developed significant intellectual capital in program development, delivery and evaluation. The centre provides consulting and training and also undertakes research and program development that is shared with the health care community. The centre offers a range of specialized products and services to employers and insurers, including prevention and worksite services assessments of physical, psychological and functional status, a broad range of medical services and interdisciplinary rehabilitation programs.

The Millard Centre has eight service lines: prevention, assessment, medical, early rehabilitation, occupational rehabilitation, chronic/complex, return-to-work and consultation.

During 1999, the centre expanded services and introduced several initiatives designed to meet the needs of their customers.

- In 1999, admissions increased by 25% over 1998.
- More than 1,700 workers completed programs.
- Over 90% of injured workers treated were discharged fit to work.

Centred on prevention, assessment, medical and early rehabilitation, occupational rehabilitation, chronic/complex, return-to-work and consultation. The centre offers a range of specialized products and services to employers and insurers, including prevention and worksite services assessments of physical, psychological and functional status, a broad range of medical services and interdisciplinary rehabilitation programs.



Education is
a key component of
the PIP program.



As a key player in
reducing Alberta's
workplace injury
and illness rates,
the PIP program
has been a success
story. The program
has helped to
reduce the number
of workplace
injuries and
illnesses in the
province. The
program has also
helped to reduce
the cost of
workplace
injuries and
illnesses to
the province.

Good results with the Progressive Injury Program

The Progressive Injury Program was piloted during 1998 and 1999. This program provided the opportunity for the WCB-Alberta to demonstrate leadership in the accurate diagnosis, reporting and treatment of progressive injuries. The primary objective of the program is prevention – focusing on the whole person – at work, home, and play.

Critical to the success of the Progressive Injury Program is the commitment of the employer to prevention strategies, problem-solving, risk management, education of workers and provision of modified work opportunities. Features of the Progressive Injury Program include:

- Early identification, diagnosis and assessment of progressive injuries including repetitive strain injuries.
- Assessment of ongoing risk factors – worksite and lifestyle.
- Treatment that is tailored to the worker's individual needs and delivered at the worksite whenever possible.
- A practical approach that is easily integrated into the worker's lifestyle and the job setting.

The program produced sustainable results, with a full 95% of workers on the job six months after their treatment.

Feedback on the Progressive Injury Program indicated that:

- 95% of workers were satisfied with the program and 100% said they would recommend it to other injured workers.
- 63% of employers were satisfied with the program and 75% told us they would recommend this program to other employers.
- 100% of physicians were satisfied with the program and the results achieved.

WCB Health Care Services

...forging unique partnerships for service excellence

Vocational Rehabilitation Services

Working in partnership with Claimant Services and external providers, WCB Health Care Services piloted a new vocational rehabilitation service delivery model during 1999. The key feature of the pilot was the integration of health care and vocational services in a total disability management approach. The model includes:

- A menu of vocational services that can be customized to meet individual needs for return to work.
- The ability to provide vocational services concurrently with occupational rehabilitation programs to provide earlier, more effective return to work outcomes.
- The development of vocational rehabilitation competencies in the WCB with internal vocational rehabilitation consultants and vocational rehabilitation service models for case managers.
- Options to provide more cost-effective vocational rehabilitation services in rural regions.
- Worksite reintegration services to support transitional (modified) return-to-work of the injured worker with the pre-accident employer.

Occupational Injury Services (OIS)

The OIS was developed to offer occupationally-focused medical services to employers and their workers. The OIS was piloted in 1999 and focused on:

- Delivery of timely medical, diagnostic and treatment services.
- Education of injured workers and employers on injury prevention, injury management and return-to-work strategies.

The pilot included 13 employers and 1,081 injured workers. Evaluation of results for the employers who used the services most indicated the following results:

- The average claim duration dropped from 5.9 to 2.8 compensation days.

. At meeting our customers' needs

- The average per claim compensation cost dropped from \$598 to \$225.
- Participating workers and employers had good overall satisfaction rates.

Accreditation – setting the standards for rehabilitation

Driven by the desire to provide superior health care to injured workers, the Alberta Physiotherapy Association, the College of Chiropractors of Alberta and WCB's Health Care Services worked with the Commission for Accreditation of Rehabilitation Facilities (CARF) to establish accreditation standards for authorized physical therapists and chiropractors. An international not-for-profit organization, CARF promotes quality rehabilitation through the use of best practice standards in business and service processes. The WCB CARF accreditation process includes a review of standards for organizational leadership, information/outcomes management and the rehabilitation process. The standards are specifically directed towards strategic management, sound business practices, the collection and use of data to promote quality improvement, and protection of the client.

Medical Services working with medical community

"In 1999, the Medical Services department focused on streamlining its internal processes and building stronger relationships with our peers and associations to better serve our customers," says Medical Services Director Dr. Vern Lappi. Medical Services has established more frequent communication with community physicians and is working with colleagues in the medical community to seek opportunities for improving services for injured workers in Alberta.

In addition to its core role in supporting case management through the provision of medical advice, Medical Services also plays an important support role in many of the projects and programs undertaken at WCB. This department is the primary repository of medical expertise for the

organization. Their expertise is sought in the development of pilot programs that undertake to provide better services to injured workers and support the needs of the physician community. Medical Services also plays an integral role in Centre of Excellence programs such as the enhanced medical residency program designed to teach physicians in waiting the requirements for medical reporting for future claimants in their practices. Additionally, they provide advice and counsel to the Policy Consultation program as well as the negotiation process with health care providers and their associations.

Medical Services supports continuing medical education programs for community physicians with particular attention to injuries and health care conditions relevant to WCB clients. They also support training and other programs with the Occupational & Environmental Medical Programs at the University of Calgary and the University of Alberta.

Within the WCB, Medical Services undertakes to keep its physicians current on medical trends and in 1999 began both a lecture series program for WCB physicians and opened an internet and CD library of medical information for their use.

Along with the College of Physicians and Surgeons and the Alberta Medical Association, Medical Services developed a plan for the collection, use, storage and release of medical information within WCB taking into account the need for protection of privacy of claimants. We anticipate the implementation of these initiatives from the plan over the next two years.

In 1999, Medical Services was significantly more active in supporting case adjudicators and managers in addressing the needs of injured workers. Medical Services completed 4,271 Independent Medical Assessments (30% increase), put together 28 medical panels to resolve differences of medical opinion (62% increase) and arranged 2,400 medical tests (43.2 % increase).



WCB is committed to providing tools for their internal experts to stay current with the trends in their field.

Medical Services completed 4,271 Independent Medical Assessments, put together 28 medical panels to resolve differences of medical opinion and arranged 2,400 medical tests.

Getting Better



Albertans working –
a safe, healthy and *strong* Alberta.

..It starts with prevention

Partners in Injury Reduction program continues upward trend

As seen in the growth of the Partners in Injury Reduction (PIR) program, there's a growing recognition that workplace safety benefits everyone.

In 1999 the WCB introduced an updated PIR program for 2000. This new program creates a heightened awareness around injury prevention and encourages employers to develop effective workplace health and safety and disability management programs. Under the new model, all employers in Alberta with a WCB account can join regardless of their size or industry.

By the end of 1999, thanks to targeted marketing efforts, 3,210 employers had joined the PIR program. This represents about 34 per cent of the total WCB insurable earnings. The real benefit is clearly that in the year 2000, one in three workers covered by WCB will be working in a safer environment.

PIR is a voluntary program that operates through the combined efforts of the WCB, Alberta Human Resources and Employment, industry partners, safety associations, employers and labour groups. Businesses ranging from small family restaurants to large trucking companies have joined PIR.

Employer benefits include earning up to 20% in WCB premium discounts, achieving or maintaining a Certificate of Recognition for workplace health and safety programs, reducing injuries, increasing profits, and demonstrating leadership in workplace health and safety. Worker benefits include lowered risks in safer work environments, less negative impact on families and lifestyles, and improved productivity, well-being and job satisfaction.

Here's how some Alberta companies have made significant improvements in their workplace safety programs in 1999 to the benefit of their workers and the bottom line.

Cessco

"The audit element of the PIR program has helped us focus our energies on improving our safety program. The premium refunds provide the incentive but the big win is worker availability and premium reductions." Don McFarlane, Cessco President and General Manager.

Costco Wholesale Canada

"Costco is committed to taking care of its employees and that includes keeping them safe. The PIR program helped us to increase our safety culture by enhancing employee involvement and concern. In addition to fewer injuries, safer buildings and increased employee morale, we have seen a 50% reduction in claim costs." John Matthews, Senior Vice-President Human Resources/Risk Management, Costco.

City of Lethbridge

"The PIR program through its incentives and health and safety program evaluations, has assisted our corporation in reducing Workers' Compensation Board costs and increasing productivity. But, the real benefit, the real bottom line, is a better and safer work environment and that means fewer employees are getting injured on the job." Dale Danylchuk, Corporate Safety Manager, City of Lethbridge.



Roger Osborne, Supervisor, WCB Customer Service and Stuart Ross, Case Manager meet with Cessco Safety Manager Stan Oszytko on site at Cessco in Edmonton.

Young workers
are 1/3 more
likely to be
injured on the
job than those
over 25

Partnering in building safer workplaces

Throughout 1999, WCB worked further towards building and investing in partnerships and programs that will help build stronger, safer Alberta communities. Our goal is to identify opportunities to work with partners to prevent injuries and improve workplace safety through education, training, sponsorship and other support. In 1999, our programs and partnerships were diverse and wide reaching:

Heads Up Campaign

Last year, more than 9,000 workers in Alberta were injured in their first six months on the job. One third of them were under 25 years old. Ten young workers died from their injuries. These statistics were the motivation behind Heads Up, a safety awareness campaign launched in March 1999, targeted at young/new workers and their employers.

The WCB entered into a unique partnership with the Alberta Construction Safety Association (ACSA) to promote safety awareness for new and young workers. The campaign used frank messages to give employees and employers a "heads up" about young workers' accident risk in their first six months on the job. The Metal Fabricating Health and Safety Association and Alberta Human Resources and Employment joined WCB and the ACSA in support of this campaign. It was further endorsed by the Alberta Forest Products Association, the Alberta Trucking Association, the Alberta Hotel Safety Association and the Alberta Municipal Health and Safety Association.

In 2000, WCB plans to launch Phase II Heads Up. Work Smart. Work Safe. This is another province-wide campaign to raise awareness about work-related injuries among workers between the ages of 16-24. The campaign will help reduce the emotional, physical, and financial impact these injuries have on young workers, their employers, and their community.

WCB WorkSafe™ Award

To recognize Alberta companies who create effective injury prevention and disability management programs, the WCB presented the first-ever WCB WorkSafe™ Award of Distinction to Nortel Networks of Calgary. Part of the Alberta Chambers of Commerce Business Awards of Distinction, the WorkSafe™ Award recognizes excellent injury prevention, innovative disability management programs, worksite employee training programs, employee wellness, and integrated staff health and safety initiatives developed and implemented by Alberta businesses. In order that other organizations may also benefit from the successes of all of the WorkSafe™ Award candidates, WCB compiled a best practises booklet, which was distributed to 91,000 employers throughout the province.

Day of Mourning Remembrance

In 1999, WCB joined employers, workers, safety associations, labour groups and communities on April 28 – the Day of Mourning – to honour workers lost to workplace tragedies. This national remembrance day provides an opportunity to remember the real people – loved ones – killed or injured in work-related incidents and to acknowledge and support their families.



David Toronchi,
VP Branch Manager
First Construction
Mark J. Cameron,
President and CEO
WCB Alberta
Gary Wagner, Executive
Director, Alberta
Construction Safety
Association and
Lorne Starn,
SP Branch Manager,
First Construction
Heads Up branch

North American Occupational Safety and Health (NAOSH) Week

The WCB-Alberta partnered with the Canadian Society of Safety Engineering, Alberta Human Resources and Employment, and Human Resources and Development Canada to promote NAOSH week May 17-23. The 1999 theme was 'Slips, Trips and Falls', which account for more than 12 per cent of all injuries reported to the WCB and are easily preventable. NAOSH week is intended to increase awareness of the importance of effective occupational health and safety programs in reducing injuries. The partners promote NAOSH week to business, corporations, community groups, and municipal governments to encourage their involvement and encourage further initiatives and partnerships. 'Prevention is the Cure' has been chosen as the focus for NAOSH week 2000.

Job Safety Skills for Young Workers Program

In 1999, WCB provided a grant of \$120,000 to the most extensive school-based safety-training program in the world. The grant was awarded to the Job Safety Skills Society (JSSS) for its innovative Job Safety Skills for Young Workers program, which is designed to reduce young worker injuries and fatalities on the job through education and training. To date 464 junior and senior high schools have registered in the program and over 3,000 students from across the province have had the opportunity to learn about the importance of worksite safety.

Other Community Events

WCB community relations efforts included participation in numerous community events, trade shows, and conferences (mostly health, safety and wellness related) across the province. The Canadian Society of Safety Engineering conference, the Canadian Information Processing Society conference, Alberta Long Term Care Association conference, and the Lower Back Pain conferences were just some of the many places we were seen this year. By getting out into the community, WCB had the opportunity to meet many Albertans face to face to learn about their priorities and suggestions and to share information and expertise.

WorkSafe™ is a registered trademark, used under license from WCB-BC

Getting better at education and training

Through the WCB's Centre of Excellence, a variety of educational and training tools were made available to stakeholders in 1999. Early in 1999, a WorkSafe™ Best Practices booklet was distributed to 91,000 employers. The booklet features Alberta organizations that demonstrate positive, measurable impacts at their worksites, details the companies' health and safety strategies, and illustrates the measurable impacts on these organizations such as decline in lost time claims.

In August 1999 thousands of Back to Basics and Office Ergonomics booklets were distributed to high-risk industries and advertised to employers and workers throughout the province. The booklets provide an easy reference guide and training tool for Alberta employers and workers and are being used by construction, health, government, retail and educational organizations.

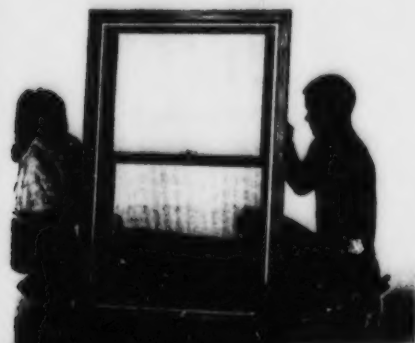
"The Back to Basics booklet is a valuable asset that can be easily integrated into any back care program," says Brian Solomon, Atco Structures, Calgary.

"Employees find the booklet easy to read and understand and the pictures helpful in demonstrating the proper stretching techniques for back care. Feedback from customers has indicated the Office Ergonomics booklet, along with modifications to workstations, has helped to reduce the number of computer-related complaints and concerns."

Other publications produced by the WCB in 1999 included a Working Safely Behind the Wheel booklet and two brochures for the Heads Up. Work Smart. Work Safe. 2000 campaign entitled Worksite Survival For Young Workers and It's Not Safe Being Green – Information for employers who hire young workers.

Safety Alerts

In 1999 WCB started issuing "Safety Alert" news releases to provincial media, providing relevant and topical information on workplace safety. The Safety Alerts give seasonal safety tips and prevention measures to workers. Judging by the media coverage, Safety Alerts topics such as 'keeping your cool in hot weather' had broad appeal and were good safety messages for all Albertans.



WCB-Alberta 1999 Financial Statements

Financial strategies

- The Funding Policy was temporarily changed in 1999 to take the Fund balance over 110% in light of pending policy changes. This decision provided the financial foundation to approve \$138 million in policy and procedure changes in 1999.
- The sound investment policy and associated practices as well as the solid financial footing through the Funding Policy contributed significantly to having the lowest premium rate in Canada. The 1999 premium rate would have been \$0.37 higher and the 2000 premium rate would have been \$0.48 higher had it not been for investment returns and the benefits of the Funding Policy.
- The Rate and Benefit Stabilization Reserve was used to fund the policy change relating to the pre-1982 remarried spouses thus minimizing the fluctuation in the premium rate.
- The Funding Policy is currently under review, involving stakeholders, to ensure it continues to support the strategic direction of the corporation and provide long-term financial security and premium rate stability.

Albertans working —
a safe, healthy and *strong* Alberta.

Management commentary on the financial statements for 1999

Results of Operations

The overall result is an operating deficit of \$130.2 million¹ brought about by changes to claim policies and claim experience.

The Rate and Benefit Stabilization Reserve was reduced by a net of \$55.1 million to reflect the appropriation to the reserve to meet the Funding Policy requirements and the draw on the reserve to fund the decision to provide remarried widows and widowers of pre-1982 spouses with a one-time payment of \$80,000 each, the impact of which is valued at \$80 million. The Occupational Disease Reserve was increased by \$14.2 million consistent with the Funding Policy. The Fund balance at December 31, 1999 is \$358.8 million.

The average actual premium rate collected was considerably below the average premium rate required to meet the cost of current year injuries² as a result of the investment gains.

Investment Activities

Investments held to meet future benefit obligations for past injuries reached \$3,827.2 million, an increase of 4.6%. The capital market in 1999 was quite strong resulting in a market return of 14.7% for 1999 compared to 11.0% for the previous year.

Claim Benefit Liabilities

Estimated claim benefit liabilities of the corporation increased to \$3,000.8 million, an increase of 13.2%. Note 9 to the financial statements provides a reconciliation of the changes to the claim benefit liabilities. There were no material changes in 1999 to the actuarial assumptions or methodology other than as identified in the Actuarial Certificate and Note 9.

¹The operating deficit of \$130.2 million can be attributed to the following:

Net investment revenue gain over liability requirements and investment revenue on the fund balance and reserves	\$ 241.7 million
Shortfall in premium revenue as a result of actual premium rate (\$1.07) being lower than the required premium rate (\$1.62) on \$31.87 billion in insurable earnings	(175.3 million)
Actuarial adjustments	(205.8 million)
Other items including favourable variances in administration costs and injury reduction	9.2 million
Total	\$(130.2 million)

²Average Actual Compared to Average Required Premium Rates

Per \$100 Insurable Earnings

Year	Average Actual Premium Rate	Average Rate Required for Full Funding	Difference
1999	1.07	1.62	(0.55)
1998	1.35	1.49	(0.14)
1997	1.48	1.51	(0.03)
1996	1.50	1.51	(0.01)
1995	1.89	1.56	0.33
Average	1.46	1.54	(0.08)

Financial security for the future

Responsibility for financial reporting

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

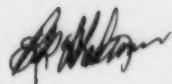
The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors are responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors are assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements; and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Watson Wyatt has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial principles.

KPMG, the independent auditor of the WCB, has performed an audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.



Rick LeLacheur
Chairman
Board of Directors



Mary J. Cameron
President and
Chief Executive Officer



David Renwick
Vice President and
Chief Financial Officer

Actuary's report to the Board of Directors of the Workers' Compensation Board - Alberta

We have made an independent review of the actuarial valuation of the liabilities for future benefits payable under the Workers' Compensation Act - Alberta as at December 31, 1999 in respect of accidents which have occurred up to that date.

The actuarial valuation has been performed by the Board's actuarial staff and a comprehensive actuarial report has been prepared and provided to the Board. The Board's auditors have made an independent review of the financial data used in the actuarial valuation. We have reviewed the data used for the valuation and have made tests of reasonableness and of consistency with the data used in prior years. In our opinion the data is sufficient and reliable for the purposes of this valuation.

The actuarial valuation of these liabilities in the amount of \$3,000,800,000 represents the actuarial present value at December 31, 1999 of all future short term disability benefits, long term disability benefits, survivor benefits, health care payments and rehabilitation payments and expenses of administration which are expected to be made in future years and which relate to claims occurring on or before December 31, 1999. The actuarial valuation does not include benefits or payments that are on a self-insured basis. The actuarial liabilities at December 31, 1999 include \$80.0 million in respect of lump sums expected to be paid to surviving spouses whose benefits were previously discontinued on re-marriage prior to 1982, and \$58.0 million of increased liabilities with respect to changes in policies or procedures that have been approved by the Board by December 31, 1999.

The valuation was based on the Workers' Compensation Act in effect as of December 31, 1999 as administered by the Board, and on the current practices and administration procedures of the Workers' Compensation Board and historical claims experience. The disability benefits in respect of accidents in 1995 and subsequent years are different from those applicable to accidents incurred up to December 31, 1994. For valuation purposes the actuarial valuation in respect of accidents after December 31, 1994 has been made on the same actuarial assumptions, methods and benefit levels as are used for accidents incurred up to December 31, 1994.

The actuarial assumptions and methods used are based on the Board's best estimates and take into account current benefits, expenditures and practices. A material change was made in the actuarial methods and assumptions used to calculate the liability for claims administration expenses. This change was made to better reflect the wage-based administrative costs and the current incidence of expenditures as between newer and older claims, which decreased the liabilities by \$35.3 million.

A summary of the net discount rates used in the actuarial valuation are referred to in the notes to the financial statements.

In our opinion, for the purpose of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles. The valuation report has been prepared, and our opinions have been given in accordance with accepted actuarial practice.

WATSON WYATT & COMPANY

Leslie N. Taylor

Leslie N. Taylor, F.I.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

Nancy A. Yake

Nancy A. Yake, F.S.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

Auditors' report to the Board of Directors of the Workers' Compensation Board - Alberta and to the Auditor General of the Province of Alberta

We have audited the balance sheet of Workers' Compensation Board - Alberta (the Board) as at December 31, 1999 and the statement of operations, statement of reserves and fund balance and statement of cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1999 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Edmonton, Canada
March 10, 2000

Balance Sheet
As at December 31, 1999
(thousands of dollars)

	1999	1998
ASSETS		
Cash	\$ 146,614	\$ 101,464
Receivables (Note 3)	22,193	10,681
Investments (Note 4)	3,827,241	3,659,514
Capital assets (Note 6)	33,961	33,280
	<u>\$ 4,030,009</u>	<u>\$ 3,804,939</u>
LIABILITIES		
Payables and accruals (Note 7)	\$ 35,317	\$ 25,172
Deferred revenue (Note 8)	342,318	344,039
Claim benefit liabilities (Note 9)	3,000,800	2,652,000
Provincial pension plans (Note 10)	963	2,959
	<u>3,379,398</u>	<u>3,024,170</u>
RESERVES AND FUND BALANCE		
Rate and benefit stabilization reserve	156,600	211,700
Occupational disease reserve	135,200	121,000
Fund balance	358,811	448,069
	<u>\$ 4,030,009</u>	<u>\$ 3,804,939</u>

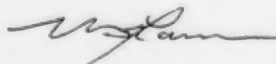
Commitments (Note 18)

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board of Directors:



Rick LeLacheur
Chairman
Board of Directors



Mary J. Cameron
President and
Chief Executive Officer

Statement of operations
for the year ended December 31, 1999
 (thousands of dollars)

	1999		1998
	Budget	Actual	Actual
REVENUE			
Premiums	\$ 354,900	\$ 354,301	\$ 412,203
Investment (Note 11)	295,000	415,434	344,113
Other (Note 12)	4,600	1,651	3,413
	<u>654,500</u>	<u>771,386</u>	<u>759,729</u>
EXPENDITURE			
Claim costs (Note 9)	562,900	821,335	556,269
Administration (Note 14)	66,000	63,691	46,849
Injury reduction (Note 16)	14,700	12,218	12,624
Appeals Commission (Note 17)	4,400	4,300	3,932
	<u>648,000</u>	<u>901,544</u>	<u>619,674</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ 6,500</u>	<u>\$ (130,158)</u>	<u>\$ 140,055</u>

Statement of reserves and fund balance
for the year ended December 31, 1999
 (thousands of dollars)

	1999	1998
RATE AND BENEFIT STABILIZATION RESERVE		
Balance at beginning of year	\$ 211,700	\$ 202,900
Transfer from (to) Fund Balance	(55,100)	8,800
BALANCE AT END OF YEAR	<u>\$ 156,600</u>	<u>\$ 211,700</u>
OCCUPATIONAL DISEASE RESERVE		
Balance at beginning of year	\$ 121,000	\$ 116,000
Transfer from (to) Fund Balance	14,200	5,000
BALANCE AT END OF YEAR	<u>\$ 135,200</u>	<u>\$ 121,000</u>
FUND BALANCE		
Balance at beginning of year	\$ 448,069	\$ 321,814
Operating Surplus (Deficit)	(130,158)	140,055
Transfers from (to) Reserves	40,900	(13,800)
BALANCE AT END OF YEAR	<u>\$ 358,811</u>	<u>\$ 448,069</u>

The accompanying notes and schedules are an integral part of the financial statements.

Statement of cash flows
for the year ended December 31, 1999
(thousands of dollars)

	1999		1998
	Budget	Actual	Actual
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from:			
Employers	\$ 358,700	\$ 343,554	\$ 438,425
Dividends and interest	138,000	86,063	90,779
Other income	2,500	1,651	3,413
	499,200	431,268	532,617
Cash paid to:			
Claimants, or third parties on claimants behalf	356,500	408,744	368,013
Employees and suppliers, for administrative and other goods and services	123,000	108,853	104,561
Employers for premium rebates	101,300	-	57,524
Injury reduction	21,900	12,236	14,937
	602,700	529,833	545,035
Net cash provided from (used for) operating activities	(103,500)	(98,565)	(12,418)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash received from:			
Sale and maturity of investments	500,000	354,871	642,934
Cash paid for:			
Purchase of investments	351,500	194,948	677,289
Purchase of capital assets, net	35,000	16,208	10,820
	386,500	211,156	688,109
Net cash provided from (used for) investing activities	113,500	143,715	(45,175)
NET INCREASE (DECREASE) IN CASH	10,000	45,150	(57,593)
Cash at beginning of year	100,000	101,464	159,057
CASH AT END OF YEAR	\$ 110,000	\$ 146,614	\$ 101,464

The accompanying notes and schedules are an integral part of the financial statements.

Notes to the financial statements

December 31, 1999

(thousands of dollars)

1. GENERAL

Legislative Authority

The Workers' Compensation Board (WCB) operates under the authority of the Workers' Compensation Act, Statutes of Alberta 1981, Chapter W-16, as amended.

Vision and Mission

The Vision of the WCB is "Albertans working - a safe, healthy and strong Alberta".

The Mission of the WCB is "The WCB - Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans".

Funding Policy

Consistent with Section 85 of the Workers' Compensation Act, the Board of Directors established a funding policy to ensure for the benefit of its stakeholders the WCB remains financially stable and secure into the future. To this end the Rate and Benefit Stabilization Reserve was created. Its purpose is to provide for the costs that may arise from extraordinary events which may otherwise unfairly burden employers in the short term, jeopardize benefits to injured workers, or prevent full funding. An Occupational Disease Reserve was created to provide for the costs that may arise from latent occupational diseases where a causal link to the workplace has not yet been established but may be established in the future. The funding policy also stipulates a Fund Balance to recognize the degree of uncertainty in the business of workers' compensation.

Claim Benefit Liabilities

Claim benefit liabilities are independently reviewed by an external actuary as at December 31, 1999 and represent the actuarial present value of all future benefit payments expected to be made for claims which have occurred in respect of current and prior years' injuries.

These benefits are expressed in constant dollars discounted at 4.0% per annum, being the difference between expected investment earnings and expected increases in benefit payments, except for rehabilitation and claim administration costs which are discounted at 3.5% and health care costs which are discounted at 0.5% to reflect expected higher increases in health care costs and utilization.

The claim benefit liabilities include provision for all benefits provided by current legislation, policies and administrative practices. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

The actuarial liabilities of the WCB are of a long-term nature and therefore the actuarial assumptions and methods used to calculate the reported actuarial liabilities at December 31, 1999 are based on considerations of future expenditures over the long term. It is reasonably possible that changes in future conditions within one year of the financial statement date could require a change in the recognized amounts.

2. SIGNIFICANT ACCOUNTING POLICIES

General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Cash

Cash and cash equivalents are funds consisting of cash and money market instruments with maturities up to 3 months.

Cash and short term investments held in the investment portfolio for trading purposes are excluded from cash and cash equivalents reported on the balance sheet.

Investments

Fixed term investments are stated at amortized cost. Gains and losses realized on disposal of fixed term investments are deferred and amortized on the straight-line basis over a period which approximates the average remaining term to maturity of the fixed term investments sold. Equity and real estate investments are stated at moving average market value. Gains and losses realized on disposal of equity and real estate investments together with unrealized gains and losses occurring during the year, are deferred and amortized on the straight-line basis over five years.

Derivative Financial Instruments

Derivative financial instruments are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates or indices. Derivative products include interest rate swaps, equity and bond index swaps, and forward foreign exchange contracts. These products are traded by the WCB for income enhancement and can be used to hedge interest rate and foreign currency exposures. Interest rate swap and forward foreign exchange contract notional amounts are not recognized in the financial statements. Index swaps are recorded at moving average market value or amortized cost based on the nature of the index used.

Interest rate swaps are transactions in which two parties exchange interest rates on a specified notional amount for a predetermined period. Interest income is recognized in the year.

Equity and bond index swaps are agreements to exchange cash flows based on the return of a specified equity or bond index. Income is recognized in the year.

Forward foreign exchange contracts represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract. Foreign exchange gains and losses are recognized in the year as income.

Fair Value

The carrying value of cash, receivables and payables and accruals approximate their fair value due to the relatively short periods to maturity of the instruments. The fair value of investments is market value. The market value of publicly traded investments is based on quoted market prices. The market value of privately held debt, equity or real estate investments is based on discounted future cash flows or independent appraisals. The market or replacement value of swaps and options is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received.

Foreign Currency Translation

Assets and liabilities, with the exception of investments, denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. The foreign currency exchange gains and losses for investments are recorded in the same manner as other investment gains and losses.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the WCB's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods presented. Actual results could differ from the estimates made by management. Claim benefit liabilities, reserves for rate and benefit stabilization and occupational disease and accrued premiums are the most significant items which reflect estimates in these financial statements.

Capital Assets

Capital assets are reported at cost and are amortized over their estimated useful lives. Amortization is provided using the following methods and annual rates:

Buildings	2 1/2% straight-line
Equipment - computer	35% diminishing balance
- furniture and other	15% diminishing balance
- vehicles	20% straight-line
Computer software	20% straight-line

3. RECEIVABLES (thousands of dollars)

	1999	1998
Premiums	\$ 5,647	\$ (2,365)
Accrued Premiums	12,673	9,938
Other	3,873	3,108
	<u>\$ 22,193</u>	<u>\$ 10,681</u>

4. INVESTMENTS (thousands of dollars)

	1999		1998	
	Book Value	Market Value	Book Value	Market Value
Cash and short term investments	\$ 66,019	\$ 66,335	\$ 67,594	\$ 68,799
Fixed term investments - Bonds	1,534,370	1,549,264	1,447,481	1,553,011
Real estate	112,868	121,691	68,966	80,847
Equities:				
Domestic	891,234	973,147	836,674	801,755
Foreign	1,222,750	1,586,109	1,238,799	1,479,426
	<u>2,113,984</u>	<u>2,559,256</u>	<u>2,075,473</u>	<u>2,281,181</u>
	<u>\$ 3,827,241</u>	<u>\$ 4,296,546</u>	<u>\$ 3,659,514</u>	<u>\$ 3,983,838</u>

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES (thousands of dollars)**Derivative Financial Instruments**

	1999		1998	
	Notional Amount	Replacement Value	Notional Amount	Replacement Value
Interest rate swaps	\$ 360,563	\$ (1,613)	\$ 320,119	\$ 15,098
Forward foreign exchange contracts	31,061	29	158,787	(146)
Equity index swaps	302,525	18,142	248,464	4,176
Bond index swaps	223,071	(1,485)	248,302	1,419
	\$ 917,220	\$ 15,073	\$ 975,672	\$ 20,547

Notional Principal	Remaining term to Maturity					Total 1999	Total 1998
	Within 1 Year	Over 1 Year To 3 Years	Over 3 To 5 Years	Over 5 Years			
Interest rate swaps	\$ 46,466	\$ 135,810	\$ 61,318	\$ 116,969	\$ 360,563	\$ 320,119	
Forward foreign exchange contracts	31,061	-	-	-	31,061	158,787	
Equity index swaps	302,525	-	-	-	302,525	248,464	
Bond index swaps	117,405	105,666	-	-	223,071	248,302	
	\$ 497,457	\$ 241,476	\$ 61,318	\$ 116,969	\$ 917,220	\$ 975,672	

Notional principal amounts are the basis upon which payments are made and are not indicative of the credit exposure with derivative products. On the other hand, as described in Note 2, the replacement value is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received. If the counterparty to the derivative fails to discharge their obligation, then the replacement value is the credit exposure of the WCB.

Credit Risk Management

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument fails to perform. Counterparties for derivative contracts will have at least an AA credit rating. The issuer for fixed term investments will have at least a BBB credit rating. Specific rules have been established to ensure the credit rating of a counterparty does not fall below a threshold deemed acceptable by the WCB. The WCB does not anticipate that any counterparties will fail to meet its obligations.

The WCB invests in publicly and privately traded shares and bonds available on domestic and foreign exchanges. These shares and bonds are affected by market changes and fluctuations. The WCB does not use derivative financial instruments to alter the affects of these market changes and fluctuations.

The WCB may lend any of its investments to third parties provided the loans are secured by cash or readily marketable securities having a market value of 105% of the loan. As of December 31, 1999 secured loans amounted to \$239,754 (\$113,300 in 1998).

Foreign Exchange Risk Management

The WCB has certain obligations and investments denominated in foreign currencies. The WCB does not undertake long term hedging strategies for the currency risk of foreign investments. The WCB undertakes long term investment strategies; however, currency fluctuations may affect short term returns. These fluctuations are not expected to affect the long term position of the investment portfolio. The WCB may enter into defensive hedging arrangements if it is believed that assets or cash flows are exposed to significant negative economic or political events. As of December 31, 1999 forward foreign exchange contracts amounted to \$31,100 (\$158,800 in 1998).

Interest Risk Management

Fluctuations in interest rates are managed by actively managing the duration of the fixed income portfolio. The WCB also enters into various types of interest rate contracts in managing interest rate risk. The table below represents the remaining term to maturity of the WCB's outstanding fixed term investments.

Notional Principal	Remaining term to Maturity				
	Within 1 Year	Over 1 Year To 5 Years	Over 5 Years	Total 1999	Total 1998
Bonds	\$ 98,641	\$ 559,183	\$ 891,440	\$ 1,549,264	\$ 1,553,011

The fixed term investments include bonds, debentures, and other interest bearing instruments. The average effective yield of these fixed term investments, excluding the investment in real return bonds, is 6.45% (1998: 5.44%) per annum based on market value.

6. CAPITAL ASSETS (thousands of dollars)

	1999		1998	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,119	\$ -	\$ 1,119	\$ 1,119
Buildings	24,827	(13,606)	11,221	11,804
Equipment	7,539	(3,210)	4,329	6,682
Computer software	47,462	(30,170)	17,292	13,675
	<u>\$ 80,947</u>	<u>\$ (46,986)</u>	<u>\$ 33,961</u>	<u>\$ 33,280</u>

7. PAYABLES AND ACCRUALS (thousands of dollars)

	1999	1998
Accrued staff benefits	\$ 10,334	\$ 9,288
Voluntary Incentive Plan	2,716	2,734
Other	22,267	13,150
	<u>\$ 35,317</u>	<u>\$ 25,172</u>

8. DEFERRED REVENUE (thousands of dollars)

	Deferred Realized Gains (Losses)			
	1999			1998
	Fixed Term	Equities	Total	Total
2000	\$ 14,221	\$ 107,587	\$ 121,808	\$ 208,750
2001	13,779	77,679	91,458	65,656
2002	13,100	47,959	61,059	33,847
2003	10,615	25,432	36,047	9,486
2004 - 2008	31,946	-	31,946	26,300
	<u>\$ 83,661</u>	<u>\$ 258,657</u>	<u>\$ 342,318</u>	<u>\$ 344,039</u>

9. CLAIM BENEFIT LIABILITIES (thousands of dollars)

	1999						1998	
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehab	Claim Admin	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 410,600	1,158,200	357,600	485,100	53,300	187,200	\$ 2,652,000	\$ 2,521,200
Add:								
Claim costs incurred:								
Current year injuries	153,234	71,842	18,012	115,201	22,618	55,349	436,256	385,049
Prior years' injuries	112,492	77,868	117,404	63,441	34,932	(21,058)	385,079	171,220
	265,726	149,710	135,416	178,642	57,550	34,291	821,335	556,269
	676,326	1,307,910	493,016	663,742	110,850	221,491	3,473,335	3,077,469
Deduct:								
Claim payments made:								
Current year injuries	59,134	197	549	40,901	1,418	20,349	122,548	118,576
Prior years' injuries	104,192	85,413	32,067	65,341	19,532	43,442	349,987	306,893
	163,326	85,610	32,616	106,242	20,950	63,791	472,535	425,469
BALANCE, END OF YEAR	\$ 513,000	\$ 1,222,300	\$ 460,400	\$ 557,500	\$ 89,900	\$ 157,700	\$ 3,000,800	\$ 2,652,000

Claim payments for health care include reimbursement of \$4,238 (\$5,224 in 1998) to Alberta Health for basic health services for injured workers.

On March 23, 2000, Royal Assent was given to the Special Payment Act authorizing the WCB to make a further payment to remarried widows and widowers whose spouses died from pre-1982 work related causes. The Board of Directors by resolution established a one-time payment of \$80 thousand to each individual meeting the requirements of this Act. Included in the claim benefit liabilities is \$80 million to reflect the financial impact of this legislative change.

The following is a reconciliation of the claim benefit liabilities:

	1999	1998
Balance at beginning of year	\$ 2,652,000	\$ 2,521,200
Add:		
Provision for current year injuries	313,708	266,473
Interest allocated	173,700	170,900
Revision to compensation policies:		
Services to severely injured	33,000	
Chronic pain syndrome	13,000	
Delayed fatalities	1,700	
Special needs and independence allowances		52,700
Revision to compensation procedures:		
Earning loss supplements	10,300	
Remarried spouses	80,000	
Claim cost experience higher (lower) than expected	139,466	8,856
	3,416,874	3,020,129
Deduct:		
Payments, for prior years' injuries, excluding self-insured employers	344,374	301,329
Difference between actual and expected long term cost of living adjustments	36,400	66,800
Revision to actuarial methodology for claim administration	35,300	
Balance at end of year	\$ 3,000,800	\$ 2,652,000

10. PROVINCIAL PENSION PLANS (thousands of dollars)

The WCB participates with other employers in two defined benefit pension plans. The Public Service Pension Plan and the Management Employees' Pension Plan provide pensions for the WCB employees based on length of service and earnings.

The WCB's portion of the unfunded pension liability for each plan as at December 31, 1999, as determined by the Provincial Treasurer, is as follows:

	1999	1998
Public Service Pension Plan	\$ 0	\$ 1,996
Management Employees Pension Plan	963	963
	<u>\$ 963</u>	<u>\$ 2,959</u>

11. INVESTMENT REVENUE (thousands of dollars)

	1999	1998
Dividends and interest		
Fixed term	\$ 88,517	\$ 106,545
Equity	14,857	46,714
Real estate	6,151	3,978
	<u>109,525</u>	<u>157,237</u>
Add:		
Amortized realized and unrealized gains	306,845	187,405
	<u>416,370</u>	<u>344,642</u>
Deduct:		
Investment related administration expenditures	936	529
	<u>\$ 415,434</u>	<u>\$ 344,113</u>

12. OTHER REVENUE (thousands of dollars)

	1999	1998
Prejudgement interest	\$ 718	\$ 879
Access to information	565	609
Legal consultation	430	512
Millard Centre (Note 13)	(117)	1,251
Other	55	162
	<u>\$ 1,651</u>	<u>\$ 3,413</u>

13. MILLARD CENTRE (thousands of dollars)

	1999	1998
Revenue		
Charged to health care claim costs	\$ 11,974	\$ 10,685
Non-WCB treatment services	149	130
	<u>12,123</u>	<u>10,815</u>
Expenditures		
Salaries and employee benefits	9,158	7,504
Consulting fees	1,128	572
Building operations	935	858
Office and communications	913	543
Travel and vehicle operation	60	42
Amortization of capital assets	46	45
	<u>12,240</u>	<u>9,564</u>
Operating Surplus (Deficit)	<u>\$ (117)</u>	<u>\$ 1,251</u>

14. ADMINISTRATION EXPENDITURES (thousands of dollars)

	1999	1998
Salaries and employee benefits (Schedule A)	\$ 76,388	\$ 70,845
Office and communications	18,707	13,898
Amortization of capital assets	15,434	4,966
Consulting fees	12,082	10,260
Building operations	4,193	3,422
Travel and vehicle operation	1,381	1,291
Other	85	78
	<u>128,270</u>	<u>104,760</u>
Deduct:		
Claim administration costs	63,791	57,456
Charged to investment revenue	788	455
	<u>\$ 63,691</u>	<u>\$ 46,849</u>

15. SELF-INSURED EMPLOYERS (thousands of dollars)

These financial statements include the effects of transactions carried out for self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenditures. Currently, the Federal Government is the only self-insurer. This is a contractual relationship in accordance with the Government Employees Compensation Act. Certain government related entities and railways are responsible for the cost of injuries to their workers which occurred when they were self-insured in prior years. Aggregate amounts of such premiums and offsetting expenditures are contained in the Statement of Operations as follows:

	1999	1998
Premium revenue	\$ 6,439	\$ 6,169
Claim costs incurred:		
Short term disability	\$ 1,515	\$ 1,324
Long term disability	1,590	1,612
Survivor benefits	637	780
Health care	1,421	1,362
Rehabilitation	142	200
	<u>5,305</u>	<u>5,278</u>
Administration expenditures	1,134	891
	<u>\$ 6,439</u>	<u>\$ 6,169</u>

16. INJURY REDUCTION (thousands of dollars)

	1999	1998
Occupational Health & Safety	\$ 6,000	\$ 6,000
Safety Associations	3,648	3,908
Voluntary Incentive Plan	2,570	2,716
	<u>\$ 12,218</u>	<u>\$ 12,624</u>

The WCB has a statutory obligation to reimburse the Provincial Treasurer a portion of the costs associated with occupational health and safety.

Funding is provided to industry sponsored safety associations for the purpose of improving the workplace.

The Voluntary Incentive Plan is based on the premise that injuries, and in turn claim costs, can be reduced through health and safety management. Financial incentives are provided to employers who reduce claim costs.

17. APPEALS COMMISSION

The Appeals Commission is a separate legal entity whose operating costs are paid by the WCB from the Accident Fund in accordance with Section 6 of the Workers' Compensation Act. The Appeals Commission is managed separately from the WCB.

18. COMMITMENTS (thousands of dollars)

A number of operating leases exist for computer equipment and office space. The following is a schedule of future lease payments to be charged to administration expenditures:

2000	\$ 5,542
2001	3,180
2002	1,239
2003	705
Beyond	321
	<u>\$ 10,987</u>

19. BUDGET

The Board of Directors approved the budget in October, 1998. The budget is presented for comparison with the 1999 actual figures.

20. COMPARATIVE FIGURES

The 1998 figures are reclassified where necessary to conform to 1999 presentation.

WCB Salaries and Benefits

December 31, 1999

Schedule A

	1999					1998	
	Number of Individuals	(1) Salary	(2) (3) Benefits	Other	Total	Number of Individuals	Total
Chairman, Board of Directors (4)	1	\$ 55,334	\$ 1,186	\$ -	\$ 56,520	1	\$ 78,291
Board Members (4)	9	163,836	4,833	-	168,669	9	147,918
	10	219,170	6,019	-	225,189	10	226,209
President and Chief Executive Officer	1	295,987	59,712 (5)	-	355,699	1	256,663
Vice President, Claimant & Health Care Services	1	189,751	25,574	-	215,325	1	188,014
Vice President, Employer Services	1	170,100	29,134	-	199,234	1	186,799
Vice President and Chief Financial Officer	1	189,121	74,538	-	263,659	1	203,189
Vice President, Organizational Performance and Corporate Communications	0			-	0	1	114,534
Vice President & Chief Information Officer	1	165,275	19,850		185,125	0	-
Vice President, Marketing & Development	1	131,193	29,680		160,873	0	-
Secretary & General Counsel	1	163,959	33,161	-	197,120	1	165,336
	7	1,305,386	271,649	-	1,577,035	6	1,114,535
Other Managers:							
(1999 - \$101,189, 1998 - \$102,062)	36	3,207,138	435,591	-	3,642,729	36	3,674,236
Other Full-Time Staff:							
(1999 - \$50,826, 1998 - \$48,727)	1,531	67,889,152	9,925,453	-	77,814,605	1,437	70,022,019
Termination Benefits	-	-	-	1,304,452 (6)	1,304,452	-	1,166,372
Long-Term Disability	-	-	-	854,390 (7)	854,390	-	712,395
Provincial Pension Plans	-	-	-	(1,995,713) (8)	(1,995,713)	-	(486,992)
Other Staff Related Expenses	-	-	-	2,124,031 (9)	2,124,031	-	1,919,966
Less: Salaries & Benefits for the Millard Centre		(7,980,830)	(1,177,642)	-	(9,158,472)		(7,503,798)
Administration - Salaries & Benefits (10)		\$ 64,640,016	\$ 9,461,070	\$ 2,287,160	\$ 76,388,246		\$ 70,844,942

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.

(3) No amount included in benefits and allowances for: car allowances, car insurance, or the value of parking and interest-free loans.

(4) The Chairman of the Board of Directors and Board Members are part time positions.

(5) The President and Chief Executive Officer does not participate in the Public Service Benefit Plan. The Board of Directors has provided her with an amount in lieu of pension paid directly.

(6) Termination benefits include retiring allowances, accrued sick leave and other settlement costs due to loss of employment.

(7) The adjustment to the liability for long-term disability claims reflects changes to the actuarial present value of all future payments expected to be made for claims which have occurred in current and prior years.

(8) Represents adjustments to Provincial Pension Plan Liabilities.

(9) Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in-house training programs, retirees benefits and relocation costs.

(10) Excluded from this total is the Appeals Commission as it is a separate legal entity. See Schedule A-1 for details.

Appeals Commission Salaries and Benefits

December 31, 1999

Schedule A-1

	1999					1998	
	Number of Individuals	(1) Salary	(2) (3) Benefits	Other	Total	Number of Individuals	Total
Chief Appeals Commissioner	1	\$ 113,030	\$ 12,598	\$ -	\$ 125,628	1	\$ 124,663
Full Time Commissioners	7	481,784	67,136	-	548,920	7	552,410
Temporary Appeals Commissioners	26	582,146	12,708	-	594,854	22	551,017
	34	1,176,960	92,442	-	1,269,402	30	1,228,090
Other Full Time Staff							
(1999 - \$51,593, 1998 - \$49,675)	39	1,743,556	254,607	-	1,998,163	37	1,837,979
Termination Benefits	-	-	-	-	-	-	-
Long-Term Disability	-	-	-	-	-	-	-
Other Staff Related Expenses	-	-	-	35,399	35,399 (4)	-	38,603
TOTAL		\$ 2,920,516	\$ 347,049	\$ 35,399	\$ 3,302,964		\$ 3,104,672

The Appeals Commission is a separate legal entity funded by the accident fund but administered separately from the Workers' Compensation Board.

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.

(3) No amount included in benefits and allowances for; car allowances, car insurance, or the value of parking and interest-free loans.

(4) Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in-house training programs, retirees benefits and relocation costs.